Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of **MARITIME COMMUNICATIONS/LAND MOBILE, LLC** Participant in Auction No. 61 and Licensee of Various Authorizations in the Wireless Radio Services Applicant for Modification of Various Authorizations in the Wireless Radio Services;	EB Docket No. 11-71 File No. EB-09-IH-1751 FRN: 0013587779
Applicant with ENCANA OIL AND GAS (USA), INC.; DUQUESNE LIGHT COMPANY; DCP MIDSTREAM, LP; JACKSON COUNTY RURAL MEMBERSHIP ELECTRIC COOPERATIVE; PUGET SOUND ENERGY, INC.; ENBRIDGE ENERGY COMPANY, INC.; INTERSTATE POWER AND LIGHT COMPANY; WISCONSIN POWER AND LIGHT COMPANY; DIXIE ELECTRIC MEMBERSHIP CORPORATION, INC.; ATLAS PIPELINE—MID CONTINENT, LLC; DENTON COUNTY ELECTRIC COOPERATIVE, INC., DBA COSERV ELECTRIC; AND SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY	Application File Nos. 0004030479, 0004144435, 0004193028, 0004193328, 0004354053, 0004309872, 0004310060, 0004314903, 0004315013, 0004430505, 0004417199, 0004419431, 0004422320, 0004422329, 0004507921, 0004153701, 0004526264, 0004636537, and 0004604962
For Commission Consent to the Assignment of Various Authorizations in the Wireless Radio Services	RECEIVED - FCC DEC 21 2011 Federal Communications Commission Bureau / Office

To: The Honorable Richard L. Sippel
Chief Administrative Law Judge

STATUS REPORT REGARDING BANKRUPTCY PROCEEDINGS

Maritime Communications/Land Mobile, LLC ("Maritime") hereby respectfully submits this report on the status of the pending bankruptcy proceedings involving Maritime.[1]

[1] *In re Maritime Communications/Land Mobile, LLC*, Case No. 11-12463 (Bankr. N.D. Miss.).

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1. In an order following the October 25, 2011, prehearing conference, the presiding judge directed Maritime to file a report on the status of the bankruptcy proceedings by December 6, 2011.[2] Maritime subsequently filed a motion requesting extension of the deadline to December 21, 2011, on grounds that the bankruptcy court rescheduled certain hearing dates.[3] That unopposed motion remains pending.

2. The presiding judge ordered that this status report "should confirm that Maritime expects to conclude bankruptcy application process by the required date in January 2012."[4] While it is not entirely clear, this apparently refers to a discussion of the deadline for submitting a plan of reorganization to the bankruptcy court.[5] Maritime's bankruptcy counsel advised that, based on the then-anticipated bankruptcy court hearing dates of November 21 and 29, 2011, Maritime expected to file its plan of reorganization on time.[6] Due to litigation surrounding the intervention of the SkyTel parties, those hearings got pushed off to December 7, 2011, and further hearings are now set for January 6, 2012. Nevertheless, Maritime still anticipates filing its plan of reorganization by the January 29, 2012, deadline. But to clarify, this is merely the deadline for filing the reorganization plan for court consideration. It is *not* a deadline by which Maritime must "conclude bankruptcy application process."[7]

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2 *Order* (FCC 11M-31; rel. Oct 26, 2011).

3 *See Maritime's Motion for an Extension of Time in Which to File Status Report*, submitted in this proceeding on November 22, 2011.

4 *Order* (FCC 11M-31) at p. 2.

5 *Tr.* at pp. 205-207.

6 *Id.*

7 Maritime will not submit any "applications" as such to the bankruptcy court. It will rather seek court approval to adopt existing contracts or to enter into new contracts. To the extent these involve the assignment or transfer of licenses subject to Section 301(d) of the Communications Act, any such court approvals will be subject to prior FCC regulatory approval. Applications for FCC consent will be filed after such court approvals.

3. Maritime has currently effective agreements to sell license assets to the various applicant parties. The following table lists the buyer and purchase price for each contract and shows the proceeds that would be due to Maritime net of prepayments and deposits.

Existing Agreements for the Purchase of Maritime's License Assets

Purchaser	Price	Deposits	Net
Atlas Pipeline-Mid Continent, LLC ("Atlas")	34,000	-34,000	0
DCP Midstream, LP ("DCP")	1,024,000	-153,600	870,400
Denton Co. Electric Coop. d/b/a Coserv Electric ("Coserv")	73,000	-73,000	0
Dixie Electric Membership Corporation, Inc. ("Dixie")	510,000	-51,000	459,000
Duquesne Light Company ("Duquesne")	200,000	-200,000	0
Enbridge Energy Company, Inc. ("Enbridge")	1,443,200	-144,320	1,298,880
Encana Oil and Gas (USA), Inc. ("Encana")	200,000	-200,000	0
Interstate Power and Light Company ("IPL")	2,312,000	-328,400	1,983,600
Jackson Co. Rural Membership Elec. Coop. ("Jackson County")	65,000	-65,000	0
Puget Sound Energy, Inc. ("Puget Sound")	1,600,000	-400,000	1,200,000
Questar Market Resources, Inc. ("Questar")[8]	45,000	-45,000	0
Southern California Regional Rail Authority ("SCRRA")	7,178,000	0	7,178,000
Wisconsin Power and Light Company ("WPL")	837,000	-121,500	715,500
Totals	15,362,200	-1,664,920	13,697,280

4. This table does not factor in substantial amounts of money owed to the buyers under indemnification clauses in the purchase agreements. Because the buyers were well aware of the reputation and history of Warren C. Havens in this regard, the only way Maritime could secure these agreements and ensure that the buyers would endure the long delays occasioned the inevitable litigation was to indemnify them and undertake to reimburse their litigation costs. Maritime's inability to meet these obligations was one of the exacerbating factors in its worsening financial condition. The certainty (not merely threat or fear) that any proposed transaction will meet with vociferous and unending opposition from Havens and the SkyTel

[8] Questar is not a party to these proceedings and therefore technically not an "applicant party." No license assignment application regarding this transaction had been filed at the time of the hearing designation order.

parties is not only hampering Maritime's efforts to find buyers willing to acquire the remaining license assets, it is also threatening the deals that are already on the table. Three buyers (IPL, WPL, and DCP) are seeking to withdraw from their respective contracts.[9]

5. Notwithstanding these obstacles, Maritime is moving forward to obtain the necessary approvals to close on as many of the above-listed transactions as possible. A hearing was held in the bankruptcy court on December 7, 2011, at the end of which Judge Huston preliminarily approved the assumption by Maritime, as debtor-in-possession, of the contracts with Atlas, Coserv, Dixie, Enbridge, and SCRRA and authorized Maritime to proceed with these transactions subject to requisite regulatory approvals from the FCC. A further hearing is scheduled for January 6, 2012, on Maritime's motions to assume contracts with Duquesne, Jackson County, and Puget Sound. Maritime anticipates that its assumption of these additional contracts will be approved at that time.[10] Arrangements are also being made for a group of secured creditors to acquire the remaining license assets, discussed later in this report.

6. The net proceeds from the sale of license assets, even assuming all of the above-listed transactions are approved and go to closing, would come to $13,697,280. There are currently claims against the estate in excess of $24 Million, as follows: secured claims of $18,790,111; unsecured priority claims of $252,855; and unsecured claims of $4,967,703.[11] This

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[9] The DCP contract is for a relatively small purchase price, all of which was prepaid, and would not result in any additional proceeds coming to Maritime. Loss of the IPL and WPL deals, however, could reduce the net proceeds to Maritime by nearly $2.7 Million. The assignment applications for the IPL and WPL transactions have been withdrawn, but Maritime has not acquiesced in the attempted cancellation of these contracts. See n.10, below.

[10] Maritime has also filed motions to assume the contracts with IPL and WPL, but a hearing date has not yet been scheduled for those items. A motion to assume the contract with Encana is being prepared and will be filed shortly.

[11] This figure does not include the unsecured claims of Sandra M. DePriest, Donald R. DePriest, or Scotland House Inc. (which they own directly or indirectly). These claims, totaling more than $7 Million, will be extinguished as part of the Second Thursday plan.

does not include additional substantial financial obligations. Administrative costs associated with the bankruptcy proceeding and FCC regulatory matters (including this hearing) could exceed $1.25 Million, not including likely appeals, particularly if Havens and the SkyTel parties maintain their current level of litigiousness.[12] Maritime is continuing to incur obligations for significant ongoing operating expenses, such as rents, utilities, salaries, etc. There are also unquantified but substantial and growing amounts for the indemnification provisions discussed earlier. Suffice it to say that, even making the most optimistic assumptions, the proceeds from the license sales would cover much less than half of Maritime's obligations.

7. A group of secured creditors will be making a credit bid, an arrangement whereby they will agree to the extinguishment of their secured claims in exchange for all of the license assets of Maritime. The details of this arrangement will be presented to the bankruptcy court very shortly and will also be reflected in the plan of reorganization. The creditor group, which will most likely be organized as a new limited liability company, will also assume Maritime's obligations, including the claims of other creditors. The licenses currently held by Maritime will be assigned directly to the buyers, with the proceeds to be handled as discussed below. Any unsold licenses would be assigned to the creditor group.[13]

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[12] The requested Second Thursday relief would moot the basic qualifying issues, removing any impediment as to the geographic licenses. It will still be necessary, however, to reach resolution of the construction and discontinuance issue as to the incumbent (or site-based) licenses, whether through hearing, summary decision, or settlement.

[13] Alternatively, the creditor group may acquire Mrs. DePriest's equity position in Maritime, at which point the DePriests would have no further involvement. Whether the parties pursue this equity acquisition alternative or proceed with the asset acquisition approach discussed above will depend on various business and legal considerations. For Second Thursday purposes, however, the bottom line result would be the same, namely, none of the licenses would be held by an entity in which the DePriests had any interest, and the DePriests would share in none of the proceeds realized from the sale of license assets.

8. All proceeds from the sale of licenses will be subject to the supervision of the bankruptcy court. The funds will be paid either to the creditors group or into an escrow account, and all disbursements will be subject to any conditions imposed by the court or the FCC. None of the proceeds would be paid to Maritime, and no disbursements would be made, directly or indirectly, to Mr. or Mrs. DePriest.

9. Maritime anticipates filing applications for FCC approval of these arrangements as soon as possible after the debt bid by the creditor group is approved by the bankruptcy court and the January 29 submission of the plan of reorganization, making the target date for the FCC flings sometime in early February, earlier if at all possible. This will be comprised of various applications for consent to assign licenses from and/or transfer control of Maritime, as debtor-in-possession, to various assignees (i.e., the above-listed buyers and the creditor group). These filings will be accompanied by a global request for extraordinary relief pursuant to the Commission's Second Thursday policy. The showing will make provision for the repayment of the disputed bidding credit ($1,955,000) plus any accrued interest, as well as a proposed voluntary contribution to the U.S. Treasury in lieu of any possible forfeiture. Finally, the Second Thursday showing will demonstrate that this arrangement provides for the satisfaction of the claims of innocent creditors, with no benefit flowing to the alleged wrongdoers except for any possible indirect benefit that is outweighed by the consideration of innocent creditors, as well as advancing other overriding public interest policies.

10. In view of the foregoing, Maritime once again renews its request that the presiding judge stay all procedural dates in this hearing. Insofar as things are now on track for the submission of a plan of reorganization to the bankruptcy court by late January and the submission of required assignment/transfer applications and a Second Thursday proposal to the

Commission by early February, it is submitted that a stay of nine months is warranted, during which time status reports will be filed with the presiding judge every 60 days.

Respectfully Submitted,

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Dated: December 21, 2010

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of December, 2011, I caused copies of the foregoing pleading to be served, by U.S. Postal Service, First Class postage prepaid, on the following:

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